



Nemo Link's Loss Factor

**Any amendments to the loss factor will be notified by reissue of this Notice and updated on the Nemo Link's website.*

1. MID-POINT LOSS FACTOR

Nemo Link's Mid-Point Loss Factor	
2.600% Effective until 23:59 CEST 31/08/2020	2.372% Effective from 00:00 CEST 01/09/2020

Effective from Delivery Day **1 September 2020** at **00:00 CEST**, Nemo Link Interconnector's Mid-Point Loss Factor will be lowered from 2.600% to **2.372%**. The Mid-Point Loss Factor is the loss factor that is used in [Nemo Link's Access Rules](#) (see Annex Business Rules for Nemo Link paragraph 3) and [Nemo Link's Border Specific Annex](#).

Nominations at Nemo Link's importing and exporting end for a specific mid-interconnector nomination are calculated using the Mid-Point Loss Factor (LF) as follows:

- Importing end nomination = mid-interconnector nomination * (1-LF/2)
- Exporting end nomination = mid-interconnector nomination * (1+LF/2)

2. TECHNICAL LOSS FACTOR

Nemo Link's Technical Loss Factor	
2.600% Effective until 23:59 CEST 31/08/2020	2.344% Effective from 00:00 CEST 01/09/2020

Effective from Delivery Day **1 September 2020** at **00:00 CEST**, the **Technical Loss Factor** (also sometimes referred to as the **Physical Loss Factor**) will be lowered from 2.600% to **2.344%**. This is to correct for the difference in the loss factor application by Euphemia used for the Day-Ahead Market Coupling.

The Technical Loss Factor ("TLF") is used in the Market Coupling algorithm and is used to calculate the flow at one end of the interconnector based on the flow at the opposite end as follows:

- Importing end flow = exporting end flow * (1-TLF)
- Exporting end flow = importing end flow / (1-TLF)

The Technical Loss Factor is calculated based on the Mid-Point Loss Factor such that both loss factor methodologies yield the same result with respect to exporting and importing end nominations and flows. This relationship is as follows: $TLF = 1 - (1-LF/2)/(1+LF/2)$

3. NOTES

- The **mid-interconnector reference capacity** will decrease from 1013 MW to **1012 MW** in **regular operation** and from 1033 MW to **1032 MW** in **overload operation**. Nemo Link's Capability remains **1000 MW** at the **importing end**.
- For **physical nominations of explicit capacity AND remuneration of Long Term Transmission Rights holders** for non-nominated Physical Transmission Rights (meaning the loss-adjusted day-ahead market spread), the **Mid-Point Loss Factor** is to be used.